



County of Los Angeles CHIEF EXECUTIVE OFFICE

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July 23, 2015

To: Mayor Michael D. Antonovich
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From: Sachi A. Hamai 
Interim Chief Executive Officer

STATUS REPORT ON WORKERS' COMPENSATION CLAIMS ADMINISTRATION SYSTEM CONVERSION AND REQUEST FOR PROPOSALS

On February 28, 2012, the Board approved the recommendation to execute a sole source contract with P&C Insurance Systems, Inc. (PCIS), for application hosting and maintenance services to support the workers' compensation claims administration system (System) and a conversion to a system with a relational database. At that time, the Board instructed the Chief Executive Officer (CEO) to immediately initiate the Request for Proposals (RFP) process for a workers' compensation claims administration system and to report back in July 2012, and every six months thereafter, on the status of the RFP development and the conversion of the current workers' compensation system to a relational database system. This memorandum provides the seventh status report on the system conversion and RFP development.

Conversion of Genlris to ClaimsVision

Currently, the System is undergoing conversion from the Genlris platform to ClaimsVision. Such requires migrating County of Los Angeles (County) workers' compensation data from a discontinued software solution to a modern solution with a relational database and a modern user interface. Data migration to the new system is complete and CEO is performing vendor mapping simulation analysis to ensure the ClaimsVision and eCAPS vendor interface is robust.

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Conversion of Genlris to ClaimsVision (Continued)

On May 5, 2015, the Board approved an increase of \$400,000 to the maximum contract sum for additional work that will allow the following:

- Additional customizations for system interfaces to and from the County's financial system;
- Additional customization to enhance fiscal monitoring and auditing capability;
- Increased automation of the multiple interfaces required by State and Federal laws;
- Centers for Medicare and Medicaid Services mainframe data conversion; and
- Development of a paperless environment for claims administration.

The "go live" date is scheduled for September 2015. Due to the System requirement to manage approximately 27,000 workers' compensation claims and issue over 2,000 payment transactions daily, the risk assessment will be performed prior to the "go live" date. This assessment will include a full integration test against the final ClaimsVision build. CEO and PCIS have scheduled four weeks of user-acceptance testing after the final build.

RFP for Comprehensive Risk Management Information System

As previously reported, CEO has analyzed the current risk management information systems and recognized the need to evaluate the consolidation and implementation of a comprehensive risk management information system. Such a system will include the management of workers' compensation, general liability, medical malpractice, auto liability, small claims, disability management, risk compliance management under the Risk Management Inspector General, and loss control and prevention. CEO has engaged Shelter Island Risk Services (Shelter Island) to facilitate the development and evaluation of a comprehensive risk management information system Statement of Work. General requirements and capabilities have been identified as follow:

- Track of data necessary for County analysis and determination of the best and most cost effective risk methods;
- Provide a claim management system that may be used by Third-Party Administrators (TPAs), as well as internally for self-administration of claims and lawsuits;

RFP for Comprehensive Risk Management Information System (Continued)

- Matter management system integration for tracking of County Counsel's time and billing practices;
- Provide a robust document management system to allow for a paperless environment;
- Import/Export data from TPAs' claims systems, where appropriate;
- Provide an effective tool to monitor County TPAs' performance;
- Provide opportunity for County departments to immediately and electronically forward reports of third party injuries or significant property damage to County management and TPAs for immediate attention;
- Identify significant risk exposure and loss trends to effectively target loss prevention programs;
- Ensure accuracy and completeness of data;
- Have financial accounting capabilities to track subrogation recoveries, credits, and/or contributions;
- Integrate with eCAPS for payment issuance;
- Provide case management tools for CEO Risk Management Branch and County Counsel to effectively manage claims from inception to completion;
- Incorporate all aspects of the Risk Management Branch, including Workers' Compensation, Loss Control and Prevention, Occupational Health, and Disability Management (Return-To-Work, Short-Term/Long-Term, Leave of Absence), Claims Management (Small and Property Claims, General Liability Claims, Medical Malpractice Claims);
- Track, monitor, and alert on the expiration of the insurance policy information;
- Track all expenses paid by the County and provide an interface with the County's Auditor-Controller to issue payments;
- Maintain legal confidentiality of all claim- and litigation-related information, including attorney-client and attorney work product privileges; and
- Provide cost-effective solutions for the design, development, implementation, and maintenance of the Risk Management Information System (RMIS), including software, hosting services, project design, and project management.

The CEO Risk Management Branch anticipates release of the RMIS RFP in August 2015, to solicit proposals for a contract with an organization that can develop and create the desired RMIS.

The CEO Risk Management Branch, County Counsel, Chief Information Office, Auditor-Controller, Shelter Island, and other stakeholders will develop and release the RFP to seek vendor-hosted proposals to provide new solutions in a robust claims system that will provide a consolidated view of risk, which will allow the County to make fact-based risk management decisions for processing, reporting, and approving of all lines of liability claims.

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In seeking a vendor-hosted solution, the new RMIS will be able to leverage the latest advances in web technology while taking advantage of fully-managed infrastructures that meet the County's stringent information technology security standards and disaster recovery requirements. Shelter Island reported that industry solutions for these types of applications have moved (or are moving) to vendor-hosted or Software-as-a-Solution (SaaS) models.

If you have any questions, please have your staff contact Steven T. Robles, Assistant Chief Executive Officer/County Risk Manager, at (213) 351-5346.

SAH:JJ
STR:AR:rn

c: Executive Office, Board of Supervisors
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Auditor-Controller
Chief Information Officer
Internal Services